



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**BY FIRST CLASS MAIL**

**DEC 21 2012**

Andrew Schiff, Treasurer  
Schiff for Senate  
P.O. Box 1134  
Weston, CT 06883

RE: MUR 6706  
(formerly RR 12L-07)

Dear Mr. Schiff:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting Schiff for Senate and you in your official capacity as treasurer (the "Committee") may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On March 5, 2012, the Committee was notified that it was being referred to the Commission's Office of the General Counsel for possible enforcement action under 2 U.S.C. § 437g. On December 18, 2012, the Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b), a provision of the Act. Enclosed is the Fact and Legal Analysis that sets forth the basis for the Commission's determination.

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In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

Please note that the Committee has a legal obligation to preserve all documents, records, and materials relating to this matter until notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

We look forward to your response.

On behalf of the Commission,



Ellen L. Weintraub  
Vice Chair

Enclosures  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Schiff for Senate and Andrew Schiff, MUR: 6706  
in his official capacity as treasurer (formerly RR 12L-07)

**I. GENERATION OF MATTER**

This matter was generated based on information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, *see* 2 U.S.C. § 437g(a)(2).

**II. FACTUAL AND LEGAL ANALYSIS**

**A. Factual Background**

Peter Schiff was a candidate seeking the Republican nomination for U.S. Senate in the August 10, 2010, Connecticut primary election. His designated principal campaign committee is Schiff for Senate ("Respondent" or "Committee"). Andrew Schiff is the Committee's treasurer. The Committee filed its Statement of Organization on October 8, 2009, and has filed regular disclosure reports since that date.

The Committee timely filed its 2010 October Quarterly Report. On August 12, 2011, the Committee filed an amendment to this report disclosing \$242,854.07 in disbursements not included in the original report.

The Committee submitted a cover letter with its August 12, 2011, amendment, stating in part:

- The committee had utilized the expertise of the firm Huckaby, Davis, and Lisker until just after the primary election. After the Primary election loss, the committee was looking for ways to reduce costs and turned the reporting duties over to a campaign staffer. Unfortunately, that individual did not have the accounting and compliance skills necessary to properly file FEC Disclosure Reports.

- Recently the committee found an individual who was able to prepare amended FEC Reports and tie the cash balances to the bank reconciliations.

Letter from Andrew Schiff, Treasurer, Schiff for Senate, to Robin Kelly, Senior Reports Analyst, Federal Election Commission (Aug. 10, 2011) (on file at [www.fec.gov](http://www.fec.gov)).

On October 6, 2011, the Reports Analysis Division ("RAD") sent the Committee a Request for Additional Information ("RAFI") regarding the increased activity on its 2010 October Quarterly Report. Letter from Robin Kelly, Senior Campaign Finance Analyst, Federal Election Commission, to Andrew Schiff, Treasurer, Schiff for Senate (Oct. 6, 2011) (on file at [www.fec.gov](http://www.fec.gov)). The RAFI noted that the amended report disclosed a substantial increase in the amount of disbursements from those disclosed in the original report, and requested that the Committee either amend the report or provide an explanation to clarify why the additional activity was not provided in the original report. *Id.*

In response to the RAFI, the Committee filed a Miscellaneous Document (Form 99) reiterating the statement excerpted above from its August 12, 2011 cover letter and further stating that, "the increased activity was the result of having the reports prepared by someone with knowledge of accounting and FEC Report compliance." Form 99 filed Nov. 17, 2011.

RAD referred the Committee to the Office of the General Counsel ("OGC") for failing to disclose disbursements on its original 2010 October Quarterly Report.<sup>1</sup> On March 5, 2012, OGC notified the Respondent of the Referral in accordance with the Commission's policy regarding notification in non-complaint generated matters. *See* 74 Fed. Reg. 38,617 (Aug. 4, 2009).

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<sup>1</sup> The Referral indicated that the Committee failed to disclose \$242,854.07 in disbursements on its original 2010 October Quarterly Report. A portion (\$135,000) of the increased disbursements on this report was the result of a missing zero; while the original report disclosed a \$15,000 disbursement to Gateway Media on July 30, 2010, the actual disbursement was \$150,000. *Id.* As a matter of prosecutorial discretion, the Commission is not pursuing enforcement action regarding the \$135,000 discrepancy resulting from the typographical error.

1 In response, the Committee further elaborated on the explanations it provided to RAD.  
2 See Memorandum from Scott Mackenzie, Assistant Treasurer, Schiff for Senate, to the Office of  
3 the General Counsel, Federal Election Commission (April 2, 2012) (hereinafter, "Response").  
4 With a first-time treasurer and a first-time candidate, the Committee hired a private firm to file  
5 its disclosure reports. *Id.* When the candidate lost the primary election, the campaign promptly  
6 began winding down. Anticipating fewer receipts and disbursements, and trying to save money,  
7 the campaign allowed a staffer to take over the disclosure reports. *Id.* However, in the summer  
8 of 2010, the staffer brought it to the attention of the treasurer that there were several problems  
9 with the Committee's recent reports, at which point the treasurer hired another firm to amend the  
10 reports and respond to the RFAI's. *Id.*

11 **B. Legal Analysis**

12 The Federal Election Campaign Act of 1971, as amended ("the Act"), requires committee  
13 treasurers to file reports of receipts and disbursements in accordance with the provisions of  
14 2 U.S.C. § 434. See 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.1(a). These reports must include,  
15 *inter alia*, the total amount of receipts and disbursements. See 2 U.S.C. § 434(b); 11 C.F.R.  
16 § 104.3. Committees are also required to disclose itemized breakdowns of receipts and  
17 disbursements and disclose the name and address of each person who has made any contribution  
18 or received any disbursement in an aggregate amount or value in excess of \$200 within the  
19 calendar year, together with the date and amount of any such contribution or disbursement. See  
20 2 U.S.C. § 434(b)(2)-(6); 11 C.F.R. § 104.3(a)(3)-(4) and (b)(2), (4).

21 The Committee did not comply with the Act's reporting requirements when it failed to  
22 disclose \$107,854.07 in disbursements on its original 2010 October Quarterly Report filed with  
23 the Commission. Accordingly, the Commission found reason to believe that the Committee

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- 1 violated 2 U.S.C. § 434(b) by failing to disclose \$107,854.07 in disbursements in its original
- 2 2010 October Quarterly Report.

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